Adobe ETLA Discussion

Enterprise IT Financial Workgroup
November 6, 2015 at 10:30 am
Mitchell Building, Room 53

Attendees	
Meeting Chairperson: Ron Baldwin, State CIO	
Name	**Affiliation**
Jenifer Alger	**State Information Technology Services Division**
Tim Bottenfield	**Department of Revenue**
Kris Cook	**Judicial Branch**
John Daugherty	**Department of Corrections**
Tony Ennenga	**State Information Technology Services Division**
Natalie Finnegan	**Fish, Wildlife and Parks**
Sky Foster	**Department of Agriculture**
Kreh Germaine	**Department of Resources and Conservation**
Chris Gleason	**Department of Public Health and Human Services**
Rose Harmon	**Governor's Office**
Mary Hunt	**Department of Agriculture**
Linda Kirkland	**State Information Technology Services Division**
Larry Krause	**Department of Commerce**
Sue Leferink	**Department of Commerce**
Tom Marino	**Montana State Library**
John Noble	**Governor's Office**
Deon Olson	**State Information Technology Services Division**
Jay Phillips	**Office of Public Instruction**
Lynne Pizzini	**State Information Technology Services Division**
Brad Runnion	**State Information Technology Services Division**
Natalie Smitham	**Department of labor and Industry**
James Thomas	**Department of Justice**
Cindy Trimp	**Department of Revenue**
Sheri Vukasin	**Department of Public Health and Human Services**
Meeting Minutes recorded by: Samantha Cooley	

I.   Welcome and Introductions

II.   Adobe ETLA Discussion

Today's meeting is intended to discuss the Adobe ETLA agreement and rates. The spreadsheet that Jenifer Alger distributed to the group lists examples of ways the Adobe ETLA costs could be distributed. She would like to consider all the options and get a feel for the group consensus before proceeding. Starting this process is a high priority, as rates need to be implemented by the FY18-19 cycle. Adobe will hold the price of $206K if a decision is made by November 12. Jenifer has spoken

with Adobe to let them know the deadline will not be met. Given this information, $260K is an estimate of the total cost and was used in the spreadsheet examples provided.

Action: Ron Baldwin will contact Adobe to discuss keeping the cost of the ETLA at $206K/year, regardless of the November 12 deadline.

Q&A Session on ETLA

Brad Runnion, SITSD, is here today to answer questions about the Adobe ETLA.

Q1: Is it unlimited licenses? What types of licenses are included? –Sheri Vukasin

A1: Yes, under the ETLA the State is allowed unlimited installations, SITSD has a comprehensive list of what is included. The Adobe Creative Cloud is included in the unlimited number of installs. However, there are some programs that won't be. For example, the RES is not included in the ETLA price. Agencies will be charged separately if they are using the RES. Initially they asked Adobe to include the forms with the Reader Extended Server, however, because not all of the agencies are using it, it wasn't cost beneficial to the State without getting the other agencies on board. They did get a separate quote, for the RES, one thing they are looking into now is getting an increase freeze on that for a three year term. If the State wants to go ahead with it, the price paid in August, SHI has offered to freeze that price for the next two renewals.

   –Brad Runnion

Q2: **So the RES, that is for forms enabling specifically?**

A2: Yes, that is Reader Extension Server forms, it is being rebranded as Adobe Extension Manager Forms, the name will change accordingly on the billing.
 –Brad Runnion

Action: Brad Runnion will send out a list to everyone of what Adobe products will be included in the ETLA. Contact Brad Runnion to inquire about additional programs that may be included in the ETLA.

Q3: **It is unlimited, however they mentioned there will be a true-up at the end of the contract, is that right?**

A3: There is not a true-up. The State recorded a maximum FTE count with Adobe as a baseline. Throughout the three year term if a five percent or greater increase occurs Statewide, then installations are frozen until the State meets with Adobe. At the end of the three year term, the State will report back their FTE count, if that count is not over the five percent there are no additional charges. Right now, going by the projected number of 13K, with five percent being about 600 employees, we have an allowance of 600 employees. This figure comes from the average Active Directory (AD).
   –Brad Runnion

Using Active Directory
There was some concern about using active directory because of FIM. In FIM, everyone is included those counts, even contingent workers. Sheri Vukasin stated she is hesitant to use FTE, given one-third of the employees at DPHHS don't even use computers. There is apprehension as to how the contract will be apportioned fairly across the agencies. She is concerned that if the contract/agreement are set up using a different methodology than the billing it could result in an audit finding.

Jenifer Alger responded that she will look into how the billing needs to be set up compared to the contract. She stated the purpose of this meeting is to brainstorm ideas of how the rate will be calculated.

The numbers she provided were examples for the sake of the exercise. This is not necessarily how it will be done. How the rate is applied will have to be the same for every agency.

Agencies will Self-Report Adobe Use
Larry Krause suggested that because there is some concern over the number of licenses that Adobe is reporting, each agency conducts their own count of how many Adobe licenses they have and report back to Jenifer within one week. The report is to include the number of and types of licenses. Larry felt this would be a good way to apportion the rates. Completing this exercise right now will put the State in good shape if Adobe were to conduct an audit.

Action: Jenifer Alger will send out a reporting template for agencies. The report shall include the following:

1. A count of Adobe products currently installed within the agency
2. The type/specific counts of Adobe products installed within the agency.

Report Deadline: Agencies will fill the report out and send it back to Jenifer within one week. The deadline for submitting the report is 11/13/15.

Larry Krause commented that when this does into effect, the resource will still need be managed, agencies will need to make sure it is being installed where people use and need it.

Licensing Inmate Computers
John Daugherty commented one of the issues COR has is that they have Adobe installed on inmate computers that are not attached to AD. Adobe told John they would continue to be able to install them on the inmate computers, even if they weren't attached to the network. If the ETLA goes through, John needs to able to continue to provide that service within his facilities.

Value of Standardization
Kreh Germaine commented that DNRC sees the value of standardization and moving to an Enterprise model. DNRC has lots of different products with different versions running and managing that has been very difficult. This process, moving to ETLA, will make managing Adobe a lot simpler. There is a major value moving this to the Enterprise from their perspective.

Adobe Moving to a Subscription Based Model
Deon Olson, SITSD, commented the future of Adobe is changing. Adobe just announced they are cutting support on version ten. Everything new within a year will be subscription based. Every subscription for Adobe Professional (without the ETLA) is $200/year. Moving to the ETLA, 10 people will be able to use Adobe Professional for the price of one. If an agency is paying for five people to use Adobe Professional, without ETLA, they are essentially paying the same amount that it would be to cover 50 people under the ETLA.

Concerns of the ETLA

- 50% of DOJ users will never touch an Adobe product, they see very little benefit of entering into ETLA. –*James Thomas*

- This agreement does not offer some of the more advanced things that are more costly for people to use, such as the forms, why go to 780K with them when there are other products available. There is a cost increase over what the State pays annually now. –*Sheri Vukasin*

Benefits of the ETLA

- Given many agencies are moving towards electronic documentation, their need for Adobe will increase dramatically. –*Jay Phillips*

- All of the products will be in the Adobe Creative Cloud within one year, according to Adobe, they will be going to a subscription based model. –*Deon Olson*

- Managing Adobe/support will be much easier with unlimited installs and only one version. *- Kreh Germaine and John Daugherty*

- The product will increase productivity and is designed to be a productivity tool.

  –Brad Runnion

- Licensing is another major component to consider. Everyone recognizes that managing licenses is an issue. This ETLA helps alleviate that risk. –*Sky Foster*

Cost/Benefit of ETLA
Enterprise licensing is the best way to go.

Ron recently had a very productive conversation with Adobe. The company is moving in the direction of Enterprise licensing. Currently the State uses a cumulative licensing program, then there is TLP, Transactional Licensing Program. What Adobe is moving to is VIP, or Value Incentive Program, and ETLA. This agreement would give the State some broad protection.

The past three years, the State has spent the following on Adobe:

Year	Amount
2014	$117K
2013	$155K
2012	$172K

*Numbers based off of slide 7 of the Adobe ETLA Meeting Notice

These figures are based on perpetual licenses, under the State's current agreement when a new version is available, a new license has to be purchased. Another benefit of the ETLA is that all updates will be covered.

Installed Licenses vs. FTE Counts
Larry Krause commented that given we are still in the negotiation stages of the contract, the State should be able to assert they want the true-up figure of five percent to be based off of installed licenses, not FTE.

Sheri Vukasin commented that going based off of the FTE count is more beneficial to the State, given there is no way the State will grow in FTE count by five percent in three years. Sheri recommended implementing a billing model that is similar to the Microsoft ELA. Larry Krause responded that the Microsoft ELA would not be the best model because everyone that has a machine has Microsoft. With the Adobe products, depending on employee's mission, users have different levels of Adobe products. It should be based on what is being used. The model would be based off the baseline projections provided to Jenifer Alger.

Kreh Germaine commented that the numbers are projected and they don't get changed until the contract is renewed.

Next Steps: The group consensus was they would be in a better position to make a decision on installed licenses vs. FTE within the contract after everyone has reported their numbers to Jenifer Alger.

III. <u>**Additional Considerations of the ETLA**</u>

Cost
SITSD continues to hear from people that they would give Adobe to all their users, however they don't because they can't afford it. Deon Olson commented that for agencies that have ten percent of their users on Adobe, this is a good deal. For every one user of the Creative Cloud, 39 people will be able to use it for the same price under the ETLA.

Want vs. Need
Regarding users having Adobe that don't need it, Ron Baldwin responded that is something that will need to be monitored, however, there needs to be a balance. The State needs to trust that agencies are hiring professionals that fulfill a job description and they would not be using Adobe inappropriately or installing it where it isn't needed. People, for the most part, want to do a good job using the best tools available to be as efficient as possible. The ETLA can take individuals to the next level in their work.

Movement in Software Asset Management
Ron Baldwin commented that SITSD is working diligently on software asset management. Ron has contracted for professional services to get this program up and running. SITSD will be implementing Flexera to the fullest extent possible and will work with agencies. The State will be holding itself accountable for the licenses they use, making sure they are licenses they own and following terms and conditions. Most agencies have their own responsibility in tracking the licenses they use. Ron wants to develop software asset management on an Enterprise level. SITSD is working on this as fast as possible, they started on the process about one year ago, they still need another two years to have the program up and running.

Risk Mitigation
Unknowns represent risk. Factors like who has what, what versions are being used, and security risks are involved. Adobe Flash is going away and there will be a wholesale need to repurchase all Adobe licenses on an individualized basis.

Software and security are merging now as far as risk. The State *must* be in a position to be up to date on software as soon as possible when it comes to mitigating security issues with software.

Management and Productivity Gains
John Daugherty stated that Corrections currently has four different versions of Adobe running. Six months ago John attempted to get divisions to upgrade to the newest version, requiring only one version to be patched, he was not successful in getting them to spend the money to upgrade. The ETLA would help them to overcome that issue.

As far as the "need vs. want" issue, John has had several people that have requested the Adobe software but when they find out the price they decide they don't want it, even though they have a business need, simply because it's not within their bureau's budget. In many areas of COR, they have pools of people that have the licensing and everyone else in that bureau or division goes to one person and requests they do all the work. There will be productivity gains from being able to spread this out more over several

users in certain areas, instead of just one. In addition, management is a lot easier when computers are configured the same way.

Jay Phillips commented that given its unlimited licenses it could be rolled out to every computer. Management could tend to the updates and mitigate the risk of having several different versions. Sky Foster added it would alleviate issues/extra work of having to transfer licenses when employees leave.

SISTD has a cost effective contract with a company to help with developing the Software Asset Management program. They help with policy, implementation and tools. The company is named ISAM and they are contracted through the biennium.

Completely and fully understanding the terms and conditions of the contract is a major part of ensuring compliance with software asset management. That is what the State will do. Technology is changing exponentially. Things are moving both in terms of the technology that is being used to efficiently deploy information technology on hardware in virtualized environments.

The State has run out of time. They are doing their best right now as agencies and as an Enterprise. The State needs at least three years to get their house in order. The overarching thing is managing the State's assets as an Enterprise. It is the best, most cost effective way that government can manage itself in IT.

Tim Bottenfield stated he sees where efficiency, consistency and consistent reporting can be gained and that he is in support of the ETLA. However, he agreed that being careful about terms and conditions is of utmost importance.

Next Steps: Agencies will send their Adobe User Reports to Jenifer Alger within one week, after Jenifer has compiled the information, the group will reconvene to discuss how rates will be set and apportioned across the Enterprise.

IV.   Adjournment

The meeting adjourned at 11:54 am.

V.   Summary of Action Items

Action: Brad Runnion will send out a list to everyone of what Adobe products will be included in the ETLA. Contact Brad Runnion to inquire about additional programs included in the ETLA.

Action: Jenifer Alger will send out a reporting template for agencies to provide the number of Adobe products they currently have and what type of Adobe products they have. Agencies will fill the report out and send it back to Jenifer within one week. The deadline for submitting the report is 11/13/15.

Action: Ron Baldwin will contact Adobe to discuss keeping the cost of the ETLA at $206K/year, regardless of the November 12 deadline.

Meeting Minutes Draft submitted by: Samantha Cooley on November 8, 2015